

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer

Natwar M. Gandhi
Chief Financial Officer



MEMORANDUM

TO: The Honorable Linda W. Cropp
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi [signature]
Chief Financial Officer

DATE: January 29, 2004

SUBJECT: Fiscal Impact Statement: “Public Benefits Health Information
Sharing Authority Amendment Act of 2003”

REFERENCE: Draft Legislation – Bill Number Not Available

Conclusion

Funds are sufficient in the FY 2004 through FY 2007 budget and financial plan to implement the proposed legislation because the proposed legislation would reduce expenditures by the Health Care Safety Net Administration for the health care costs for persons eligible for Medicaid.

Background

The proposed legislation would enable the exchange of protected health information between the Medical Assistance Administration (MAA) and the Health Care Safety Net Administration (HCSNA) currently prohibited by the federal Health Insurance Portability and Accountability Act (HIPAA). The Act prohibits the disclosure of protected health information for purposes other than diagnosis, treatment, and billing to an entity other than a covered entity unless there is a local statute that authorizes the exchange between government programs that are providing public benefits. Currently, the HCSNA is not a covered entity, but MAA is. The information exchange is necessary to obtain information related to eligibility for enrollment in a health plan.

Financial Plan Impact

The proposed legislation would reduce health care expenditures by HCSNA. The proposed information exchange would allow HCSNA (wholly locally funded) to more quickly determine if a patient is a Medicaid enrollee (70 percent federally funded) and save the health care service costs associated with persons who are Medicaid eligible.